

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

May 11, 2001

T. G. Pappas, Esq.
R. Dale Grimes, Esq.
Bass, Berry & Sims, PLC
315 Deaderick Street, Suite 2700
Nashville, TN 37238-0002

*Re: Joint Petition of TEC Companies and the Consumer Advocate Division
for Approval of Earnings Review Settlement*

Docket #99-00995

Dear Mr. Pappas and Mr. Grimes:

The Tennessee Regulatory Authority (TRA) requests the following additional information regarding the above-referenced application:

1. What is the combined annual revenue impact on the TEC Companies of setting the following access rate elements to zero:
 - (a) Transport Interconnection Charge;
 - (b) Carrier Common Line Charge; and
 - (c) Directory Assistance/Information Surcharge?
2. Provide supporting calculations and documentation (price out) that demonstrate how the combined annual revenue impact reported in the response to item no. 1, above, was computed.
3. Do the TEC Companies anticipate that the final resolution of the intraLATA toll settlement will result in any net revenue reductions?
4. If the response to item no. 3, above, is in the affirmative, provide an estimate, including supporting calculations and documentation, of the annual revenue impact that final resolution of the intraLATA toll settlement process will have on the TEC Companies.

5. If the response to item no. 3, above, is in the negative, provide a detailed narrative explaining your reasons for believing that the final resolution of the intraLATA toll settlement process will not result in any net revenue reductions to the TEC Companies.
6. For each of the TEC Companies, what are the current combined, total intrastate access rates/revenues on a per-minute basis?
7. For each of the TEC Companies, what will be the combined, total intrastate access rates/revenues on a per-minute basis if the Transport Interconnection Charge, Carrier Common Line Charge, and DA Surcharge rate elements are set to zero?
8. What are the TEC Companies' current total per-minute costs of providing intrastate access services?
9. Provide supporting calculations and documentation of the total per-minute intrastate access costs reported in the response to item no. 8, above.
10. Set forth the TEC Companies' per-minute costs of providing the following intrastate access rate elements:
 - a. Transport Interconnection;
 - b. Carrier Common Line; and
 - c. Directory Assistance/Information Surcharge.
11. Provide supporting calculations and documentation of the per-minute costs reported in item no. 10, above, for:
 - a. Transport Interconnection.
 - b. Carrier Common Line.
 - c. Directory Assistance/Information Surcharge.
12. How do the TEC Companies propose to fund a 25% reduction in the Transport Interconnection Charge, Carrier Common Line Charge, and DA Surcharge for the period July 1, 2001 through December 31, 2001?
13. How do the TEC Companies propose to fund the future reductions in the Transport Interconnection Charge, Carrier Common Line Charge, and DA Surcharge referenced in the Memorandum of Understanding between the TEC Companies and AT&T dated March 30, 2001?
14. Please state whether future reductions in the Transport Interconnection Charge, Carrier Common Line Charge, and DA Surcharge referenced in the Memorandum of Understanding between the TEC Companies and AT&T dated March 30, 2001, will contribute either directly or indirectly to future requests for any rate increases?

Please submit the requested information by May 21, 2001. If you have any questions, please contact Rosie Gregory at 615-741-2904, extension 156.

Sincerely,

A handwritten signature in black ink, appearing to read "K. David Waddell". The signature is stylized, with a large, looped "K" and "D" followed by the name "Waddell" in a cursive script.

K. David Waddell
Executive Secretary

c: James P. Lamoureux, Esq. (AT&T)
Timothy Phillips, Esq. (CAD)
Dockets & Records (Docket #99-00995)